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Security Council Committee established pursuant to resolution 1737 (2006)

Note verbale dated 18 September 2008 from the Permanent Mission of Hungary to the United Nations addressed to the Chairman of the Committee

The Permanent Mission of the Republic of Hungary to the United Nations presents its compliments to the Chairman of the Security Council Committee established pursuant to Security Council resolution 1737 (2006), concerning Iran, and has the honour to provide the following information pursuant to paragraph 13 of resolution 1803 (2008) on the steps taken by the Government of the Republic of Hungary to implement operative paragraphs 3, 5, 7, 8, 9, 10 and 11 of resolution 1803 (2008).

The implementation by the Republic of Hungary of restrictive measures against Iran imposed by Security Council resolutions 1737 (2006), 1747 (2007) and 1803 (2008) is based both on measures adopted by the European Union and national measures.

As stated in its previous combined report (S/AC.50/2007/81) to the Committee, the Republic of Hungary, as a member State of the European Union (EU), implements the provisions of Security Council resolutions that fall within the scope of the competence of the EU by means of EU common positions and EU Council regulations, the latter being directly applicable in Hungary.

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Annex to the note verbale dated 18 September 2008 from the Permanent Mission of Hungary to the United Nations addressed to the Chairman of the Committee

1. Measures adopted by the European Union

In order to jointly implement resolution 1737 (2006), the Council of the European Union adopted Council **Common Position 2007/140/CFSP** of 27 February 2007 and **Council Regulation (EC) No. 423/2007** of 19 April 2007 concerning restrictive measures against Iran. The latter is *entirely binding and directly applicable* in all member States of the European Union. The lists of persons and entities subject to restrictions annexed to the Regulation have been amended by **Commission Regulation (EC) No. 441/2007** (annex IV) and implemented by Council Decision 2007/242/EC.

In order to jointly implement resolution 1747 (2007) within the EU, the Council of the European Union adopted **Common Position 2007/246/CFSP** of 23 April 2007, which modifies Common Position 2007/140/CFSP, in order to give effect to the additional measures imposed by resolution 1747 (2007) and adopted **Council Regulation (EC) No. 618/2007** of 5 June 2007 to the same effect, which amended Council Regulation (EC) No. 423/2007 of 19 April 2007. **Commission Regulation (EC) No. 116/2008** of January 2008 further amended Council Regulation (EC) No. 423/2007 of 19 April 2007 concerning restrictive measures against Iran by replacing the text in its annex I and III in accordance with the provisions of Security Council resolution 1747 (2007).

Following the adoption of Security Council resolution 1803 (2008), the Commission of the European Union adopted **Commission Regulation (EC) No. 219/2008** of 11 March 2008 amending Council Regulation (EC) No. 423/2007 concerning restrictive measures against Iran, which amended the list of persons and entities to whom the freezing of funds and economic resources should apply in accordance with Security Council resolution 1803 (2008). In order to jointly implement resolution 1803 (2008) within the EU, the Council of the European Union adopted **Common Position 2008/479/CFSP** of 23 June 2008, which modifies Common Position 2007/140/CFSP, in order to give effect to the additional measures imposed by resolution 1803 (2008) and adopted Council Decision 2008/475/EC of 23 June 2008, which amended Council Regulation (EC) No. 423/2007 of 19 April 2007 by replacing the text in its annex V. The European Union also adopted **Council Common Position 2008/652/CFSP** of 7 August 2008 amending Common Position 2007/140/CFSP concerning restrictive measures against Iran, which gives effect to measures imposed by resolution 1803 (2008) and contains additional restrictive measures of the European Union.

Further legal instruments of the European Union applicable to implement Security Council resolutions concerning restrictive measures against Iran are:

- **Council Regulation (EC) No. 1334/2000** of 22 June 2000, setting up a Community Regime for the control of exports of dual-use items and technology;
- **Council Regulation (EC) No. 618/2007** of 5 June 2007, prohibiting the provision of technical and financial assistance, financing and investment related to arms and related material;

- **Council Regulation (EC) No. 562/2006** of 15 March 2006, establishing a Community Code on the rules governing the movement of persons across borders (Schengen Borders Code).

2. National legislation and measures taken by the Republic of Hungary

Hungary is implementing its obligations under Security Council resolution 1803 (2008) concerning restrictive measures against Iran through its existing national legislation and instruments referred to in detail in Hungary's previous report to the Security Council Committee (see S/AC.50/2007/81) and measures taken by the Government of the Republic of Hungary.

Operative paragraphs 3 and 5: measures concerning the entry and transit of persons designated in annexes I and II to resolution 1803 (2008)

The competent Hungarian authorities have been informed of the provisions of Security Council resolution 1803 (2008) and have taken the necessary measures to implement them. In the Republic of Hungary **Act 32 of 1997 on the Border Guards and border guarding, and Act 39 of 2001 on the entry and residence of aliens**, continue to provide the legal basis for the implementation of the relevant provisions of Security Council resolutions concerning restrictive measures against Iran.

Operative paragraph 7: freezing of financial assets and economic resources and steps to prevent funds from being made available to the persons and entities listed in annexes I and III of resolution 1803 (2008)

Freezing of funds and economic resources of persons and entities designated by the Security Council Committee and the prohibition of making funds or economic resources available to such persons or entities fall within the exclusive competence of the European Community. These measures continue to be implemented in Hungary on the basis of Council Regulation (EC) No. 423/2007 as amended. In the Republic of Hungary **Act 5 of 2006 on Public Company Information and Court Registration Proceedings and Voluntary Dissolution**, continues to provide the legal basis for the implementation by the competent authorities of the relevant provisions of Security Council resolutions concerning restrictive measures against Iran.

Operative paragraph 8: embargo on items, materials, goods, equipment and technology that could contribute to nuclear and weapons delivery system programmes

With the implementation of Security Council resolution 1737 (2006), the European Union had already prohibited the export of goods which are now listed in operative paragraph 8 of Security Council resolution 1803 (2008). The export control list of dual-use items with regard to Iran is incorporated in EU Council Regulation (EC) No. 423/2007 as amended by Commission Regulation (EC) No. 441/2007.

The competent authorities taking part in the implementation of Security Council resolutions, the Hungarian Trade Licensing Office, the National Office for Research and Technology, the Hungarian Energy Office, the National Transport Authority and the Hungarian Investment and Trade Development Agency have been duly informed of Security Council resolution 1803 (2008) concerning restrictive measures against Iran and are applying the relevant provisions thereof in their

proceedings. The list of persons and entities listed in Security Council resolution 1803 (2008) is taken into consideration during the process of licensing of applications for export authorization.

Operative paragraph 9: vigilance in entering into new commitments for public provided financial support for trade with Iran, and **operative paragraph 10:** vigilance over the activities of financial institutions in the national territory with all banks domiciled in Iran, in particular Bank Melli and Bank Saderat

The Ministry of Finance of the Republic of Hungary has duly informed the institutions that may potentially be engaged in providing financial support for trade with Iran, including the granting of export credits, guarantees and insurance or be engaged in financial activities with Iran of the relevant provisions of Security Council resolution 1803 (2008). These institutions meet the requirements of the relevant EU regulations and the provisions of the Security Council resolution.

Operative paragraph 11: inspection of cargoes to and from Iran of aircrafts and vessels owned or operated by Iran Air Cargo and Iran Shipping Line

The relevant authorities responsible for implementation of export and transit controls, namely the Border Guard, the Police, the Office of Immigration and Nationality and the Customs and Finance Guard, have been instructed to increase the control of cargo with the destination of Iran in order to prevent the transfer of items prohibited by the resolution. The increased control includes the thorough inspection of transport documentation, checking of the vehicles and crafts, and itemized inspection of their cargo if deemed necessary.